

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of

Lifeline and Link-Up

WC Docket No. 03-109

OPENING COMMENTS OF

**CALAVERAS TELEPHONE COMPANY
CAL-ORE TELEPHONE CO.
DUCOR TELEPHONE COMPANY
FORESTHILL TELEPHONE CO.
GLOBAL VALLEY NETWORKS, INC.
HAPPY VALLEY TELEPHONE COMPANY
HORNITOS TELEPHONE COMPANY
KERMAN TELEPHONE CO.
PINNACLES TELEPHONE CO.
THE PONDEROSA TELEPHONE CO.
SIERRA TELEPHONE COMPANY, INC.
THE SISKIYOU TELEPHONE COMPANY
VOLCANO TELEPHONE COMPANY
WINTERHAVEN TELEPHONE COMPANY
(the "California Small LECs")**

**ON CALIFORNIA PUBLIC UTILITIES COMMISSION REQUEST FOR
EXTENSION OF TIME FOR COMPLIANCE WITH NEW FEDERAL
COMMUNICATIONS COMMISSION LIFELINE / LINKUP REQUIREMENTS**

Pursuant to the Public Notice issued by the Wireline Competition Bureau on April 21, 2005, and in accordance with 47 C.F.R. sections 1.415 and 1.419, Calaveras Telephone Company, Cal-Ore Telephone Co., Ducor Telephone Company, Foresthill Telephone Co., Global Valley Networks, Inc., Happy Valley Telephone Company,

Hornitos Telephone Company, Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Co., Sierra Telephone Company, Inc., The Siskiyou Telephone Company, Volcano Telephone Company, and Winterhaven Telephone Company (the "California Small LECs") offer the following comments in support of the California Public Utilities Commission's ("CPUC") Request for Extension of Time ("Request") for achieving full compliance with the Federal Communications Commission's ("FCC") April 29, 2004 *Lifeline / Linkup Order*.¹ By its March 22, 2005 Request, the CPUC seeks an extension of the June 22, 2005 compliance deadline established in the *Lifeline / Linkup Order* until March 1, 2006. To allow the CPUC the necessary time to thoroughly and methodically implement the new federal requirements into California's Universal Lifeline Telephone Service ("ULTS") program, and to ensure that California customers continue to receive the benefit of federal Lifeline and Linkup funding, the California Small LECs urge the FCC to grant the CPUC's Request in its entirety.

The California Small LECs are small incumbent local exchange carriers ("ILECs") serving primarily rural and remote areas of California. Several of the California Small LECs serve low-income areas with very high levels of ULTS subscribership. For many California Small LECs, ULTS customers make up between 18% and 50% of the residential customer base. As such, the California Small LECs and their customers have a significant interest in ensuring that the CPUC's transition to the new *Lifeline / Linkup* income certification regime occurs as smoothly and as expeditiously as possible.

¹ *In the Matter of Lifeline and Linkup*, WC Docket No. 03-109, *Report and Order*, 04-87 (Rel. April 29, 2004), 69 FR 34590

The CPUC's requested extension is reasonable, and it should be granted. By its *Decision Adopting New Universal Lifeline Telephone Service Certification and Verification Processes*, CPUC Decision ("D.") 05-04-026 (Rel. April 7, 2004), the CPUC has already committed itself to modifying the ULTS program in accordance with the *Lifeline / Linkup Order*. As discussed in D.05-04-026, the CPUC will certify ULTS customers' eligibility through the use of a third-party certifying agent, which will be selected through the California competitive bidding process applicable to state contractors. See D.05-04-026, *mimeo*, at pp. 25-36. The certifying agent is also expected to coordinate efforts to annually verify customer eligibility after customers have been enrolled in the ULTS program. See D.05-04-026, *mimeo*, at pp. 22-24. The new ULTS procedures will allow for both program-based and income-based eligibility, consistent with the *Lifeline / Linkup Order*. See D.05-04-026, *mimeo*, at pp. 8-20.

To implement these changes to the ULTS program, the CPUC has established an aggressive implementation schedule, with full compliance currently scheduled for January 1, 2006. See D.05-04-026, *mimeo*, at p. 7. As detailed in the CPUC's Request, the transition to the new procedures cannot possibly be completed by the existing June 22, 2005 deadline imposed by the *Lifeline / Linkup Order*. Before the new system can be implemented, a certifying agent must be selected, and its role must be defined. Given the constraints of the CPUC's administrative process, and the requirements of California state contracting law, this process will take several months. Through a series of recent

("Lifeline / Linkup Order").

workshops involving CPUC staff, carriers, consumer groups, and potential certifying agents, the CPUC has already begun enumerating the duties of certifying agent, and defining its interactions with carriers, customers, and the CPUC.² Based on the discussions at these workshops, the CPUC is expected to issue a Request for Proposal ("RFP") for a certifying agent in mid-May. Once a certifying agent is chosen, it will have to be approved by the California Department of General Services, a process which takes at least four to six weeks. *See CPUC Request*, at p. 5.

Even aside from the selection and approval of the certifying agent, the implementation of the new certification and verification procedures will be time-consuming and resource-intensive, both for the CPUC and for carriers. CPUC General Order 153, the General Order addressing the ULTS program, will need to be modified to reflect the new processes and requirements. Carriers will have to gather ULTS customer data, and transmit it to the certifying agent. In addition, carriers will have to work with the certifying agent, once it is designated, to develop procedures for conveying customer data in a secure manner on an ongoing basis. As the implementation process continues, other unforeseen issues will inevitably arise that will also need to be addressed.

To allow its implementation plan to unfold as scheduled without putting federal Lifeline and Linkup funding at risk, the CPUC has sought a reasonable extension of time until March 1, 2006. Although the current schedule calls for implementation of the new procedures on January 1, 2006, an extension until March 1, 2006 will give the CPUC the

² The CPUC held its first series of implementation workshops on April 20, April 21, and May 4, 2005. Pursuant to the

flexibility that it needs to respond to unforeseen problems or administrative delays. As the CPUC's Request acknowledges, "slippage in the CPUC proposed implementation timeline . . . could occur for a variety of reasons." *See CPUC Request*, p. 8. Granting an extension until March 1, 2006 will ensure that the California's program will comply with the *Lifeline / Linkup Order*, without causing undue burdens or operational uncertainties for carriers or ULTS customers.

Finally, it is important to note that the CPUC's requested extension is not limited to the requirements of 47 C.F.R. Sections 54.409(a) and 54.415(a), as the Public Notice implies. Rather, the CPUC's Request seeks an extension of time "to conform to the new FCC Lifeline/Link-Up requirements." *CPUC Request*, p. 2. The *Lifeline / Linkup Order* imposes a number of additional requirements on state Lifeline and Linkup programs as contingencies to continued receipt of federal funding. These new requirements are reflected in modifications to several sections of Part 47 of the Code of Federal Regulations, including Sections 54.400, 54.401, 54.405, 54.409, 54.410, 54.416, and 54.417. While the CPUC may not need an extension of time as to each of these sections, its Request is certainly not confined to only Sections 54.409(a) and 54.415(a). For example, 47 C.F.R. 54.410(a) is clearly implicated by the Request. Section 54.410(a) requires that:

By one year from the effective date of these rules, eligible telecommunications carriers in states that mandate state Lifeline support must comply with state certification procedures to document consumer

implementation schedule outlined in D.05-04-026, there will be several additional workshops to address other aspects of implementing the new ULTS certification regime.

income-based eligibility for Lifeline prior to that consumer's enrollment if the consumer is qualifying under an income-based criterion. 47 C.F.R. 54.410(a)

In granting the CPUC's Request, the FCC should ensure that the relief provided is broad enough to allow the CPUC to implement its new ULTS procedures in accordance with the current schedule. Further, to ensure that carriers are not deemed out of compliance with 47 C.F.R. 54.410(a) on June 22, 2005, the order approving the Request should apply a similar extension of time to all affected "eligible telecommunications carriers," including the Small LECs.

The California Small LECs appreciate this opportunity to comment on the CPUC' Request, and urge the FCC to grant the requested relief. Granting this extension will allow the CPUC to construct a ULTS certification regime that comports with federal guidelines, and does not harm consumers or carriers.

Respectfully submitted,

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May 16, 2005